

F.T.R. RESEARCH AND DEVELOPMENT
CH - 2003 NEUCHATEL / SWITZERLAND
INTER - OFFICE CORRESPONDENCE

To: Bradley Brooks Date: April 5, 1989
From: J.B. Boder Doc name:
Subject: BATH - Summary of agreement reached during the three meetings

Distribution:

Copies:

The following points were agreed:

1. Tar Level

Average of Tar/SN with all channels blocked and open, for example 5mg for the Swiss Barclay KS.

2. Testing Method

DIN procedure. Trials are still under way at PM and BAT in order to make it more simple to use and more credible to the scientific community.

3. Approval by the scientific community and standardization bodies

The method (DIN or improved one) will be presented to the CORESTA Task Force No 10 by mid-June, tested by the same group during the summer and approved by the CORESTA Smoke Study Group at its next meeting in September. At this stage, the method will be submitted to ISO for publication as a draft proposal.

4. Adoption of the method at the national levels

A strategy with timing on how to best approach the local authorities of each individual country was agreed. All the key commercial countries for PM (GCC, Finland, Switzerland) will be handled in first priority (September 1989). Both companies will put all efforts through their representatives in CORESTA, ISO, NMA and through their normal contacts at government level in order to have a smooth and rapid adoption of the new method.

5. 1 mg Tar for conventional cigarettes

The difficulty (lack of accuracy) of testing Tar of conventional cigarettes at 1 mg will be mentioned in the new method. It is probable that some national regulatory bodies may decide not to test products below 2 mg.

2500046043

- 2 -

6. Conventionally ventilated cigarettes

The new method will not change the present smoke delivery of conventionally ventilated cigarettes.

7. Human smoking behaviour

The subject of human smoking behaviour (compensation) will no longer be used by BAT to confuse national regulatory bodies. In particular, the study planned at SASO in May will be cancelled.

8. Barclay Promotion

BAT will not launch a CVC in a new country with a 1 mg claim and will not start a 1 mg campaign in countries where already on the market.

Tar labelling will continue as it is today until local regulations are changed.

9. Legal Litigations

- PM will not start retrospective or new litigations re Barclay
- PM agrees to settle the Swiss case out of court, without seeking damages, if BAT reaches an agreement with the three other plaintiffs.

10. Reference documents

It was agreed that if no detailed contract is signed between the two companies, the minutes of the three meetings will be used as a reference for the monitoring of actions during the implementation phase.

11. Endorsement

The above points are not binding for the two companies until approved and endorsed by the senior management of the two companies.



250004604